IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No.267 of 2003
Date of decision:12.10.2006

The Commissioner of Income Tax, Patiala

....Appellant

versus

M/s Groz Backert Asia Limited, Chandigarh

....Respondent

CORAM: HON'BLE MR. JUSTICE ADARSH KUMAR GOEL
HON'BLE MR. JUSTICE RAJESH BINDAL

Present: Dr. N.L.Sharda, Advocate, for the appellant.
Ms.Radhika Suri, Advocate, for the respondent.

JUDGMENT:

1. This appeal has been preferred by the revenue against the order of the Income Tax Appellate Tribunal, Chandigarh Bench 'A', Chandigarh (in short, 'the ITAT') dated 13.5.2003 in ITA No.299/Chandi/98, in respect of assessment year 1994-95, proposing following substantial questions of law:-

> "1. Whether on the facts and in the circumstances of the case, the ITAT was right in law in holding that the expenditure incurred on foreign travelling was a revenue expenditure?
>
> 2. Whether on the facts and in the circumstances of the case, the ITAT was right in law in holding that the value of the finished goods in the closing stock would not include Central Excise Duty components?"
>
> 3. Whether on the facts and in the circumstances of the case, the ITAT was right in law in holding that for the purpose of calculation of deduction under section 80HHC sales tax, excise duty etc., should not be included in the "total turnover" in view of Explanation (ba) below sub-section (4B) of section 80HHC of the IT Act, 1961?"

2. As far as questions at Sr.Nos. 1 and 3 are concerned, the same

are held not to be substantial questions of law, in view of our judgment rendered today in ITA No.2 of 2004 (**The Commissioner of Income tax, Patiala v. M/s Groz Backert Asia Limited Chandigarh**).

3. As far as question at Sr.No.2 is concerned, the view expressed therein being in conformity with law laid down by this Court in assessee's own case in ITA No.136 of 2005 decided on 28.7.2005, we do not find the same also to be a substantial question of law.

4. Accordingly, the appeal is dismissed.

(Adarsh Kumar Goel)
Judge

October 12, 2006 (Rajesh Bindal)
'gs' Judge